
(a) Purpose, summary, reasons supporting proposal, short explanation of rule, its purpose, and anticipated effect, and changes the proposal makes to existing rules.

The purpose of this rulemaking is to:

- Make changes to these rules in response to the passage of Chapter 159, Laws of 2001 (Substitute Senate Bill 5101) from the 2001 legislative session.
- Increase fees by 3.20% (rounded down to the nearest tenth of a dollar) based on the fiscal growth factor (maximum allowable rate established by the Office of Financial Management).
- Add a new fee for refund processing services provided by the department.
- Add penalties associated with violations of RCW 18.27.110.
- Increase penalties for violations of the Contractor Registration laws.
- Make necessary changes to reflect current department practice.
- Incorporate policy into rule.
- Make housekeeping changes.
- Make substantive and clarifying changes based on the requests of stakeholders.

A summary of the proposed changes is as follows:

AMENDATORY SECTION:

WAC 296-200A-015 What terms do I need to know to understand this chapter?

This section was amended in order to modify and add new definitions necessary for use with this chapter.

AMENDATORY SECTION:

WAC 296-200A-025 How does a contractor register, ~~((or))~~ renew, reregister, or reinstate its registration?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Make clarification changes associated with the requirements for registration, renewal, reregistration, and reinstatement requirements.
- Require that a policy number be included with the insurance information required to be provided to the department.
- Make changes based on the 2001 legislative changes.
- Require that a copy of the certificate or document (when required) by the Secretary of State for the contractor to do business in the state of Washington be provided to ensure compliance with the chapter 18.27 RCW and this chapter.

NEW SECTION:

WAC 296-200A-030 How much are the surety bond or savings account amounts?

This section was created in order to establish bonding requirements based on 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-035 How long is a contractor's registration period?

This section was amended in order to change the registration period based on 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-040 ((~~How does a contractor's registration become suspended~~))What can cause the suspension of a contractor's registration?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Clarify the actions associated with the suspension of a contractor's registration.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-060 What procedures ((~~should~~))must be followed when surety bonds and/or insurance policies are canceled?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Make clarification changes.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-065 What procedures must be followed when surety bonds and/or other securities approved by the department become impaired?

This section was created in order to:

- Establish the requirements in rule associated with when surety bonds or other securities become impaired.
- Make changes based on the 2001 legislative changes.
- Make changes based on current department practice.

AMENDATORY SECTION:

WAC 296-200A-070 When will the department ((~~refund~~))release a security deposit?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Make clarification changes.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-080 How is a suit filed against a contractor?

This section was amended in order to:

- Make clarification changes.
- Establish provisions relating to assignment of accounts.

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- Make changes based on the 2001 legislative changes.
 - Add the specific location where the notice that a suit has been filed (summons and/or complaint) must be delivered.

AMENDATORY SECTION:

WAC 296-200A-090 How are judgments against contractors paid?

This section was amended in order to:

- Make clarification changes.
- Establish provisions relating to assignment of accounts.
- Make changes based on the 2001 legislative changes.
- Reduce the number of copies that the claimant supplies the department from three to one for the unpaid final court judgment.

AMENDATORY SECTION:

WAC 296-200A-111 How does a city, town, or county verify a contractor's registration?

This section was amended in order to:

- Make clarification changes.
- Identify other means by which a city, town, or county may verify registration.
- Add a note to inform cities, towns, and counties that although the contractor registration card states that the contractor has an active status the contractor may have since been suspended.

AMENDATORY SECTION:

WAC 296-200A-112 Who is liable when a city, town, or county fails to verify a contractor's registration?

This section was amended in order to:

- Increase penalties for violations of this section.
- Correct a reference to RCW 18.27.110 (1).

AMENDATORY SECTION:

WAC 296-200A-300 What violations of chapter 18.27 RCW can result in the issuance of a notice of infraction?

This section was amended in order to:

- Make clarification changes.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-305 How does the department notify registered contractors regarding any unregistered subcontractors they may employ?

This section was amended in order to:

- Make clarification changes.

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- Specify that if, after receiving the “notice of unregistered subcontractor”, the general contractor continues to employ the subcontractor in question, it will be liable for an infraction under RCW 18.27.200.

AMENDATORY SECTION:

WAC 296-200A-310 What information must be included in a notice of infraction?

This section was amended in order to:

- Make clarification changes.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-320 How can a notice of infraction be served~~((Who can be issued a notice of infraction))~~?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Make clarification changes.

AMENDATORY SECTION:

WAC 296-200A-330 How are notices of infraction issued~~((If a notice of infraction is served on an employee, how is the contractor notified))~~?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Make clarification changes.
- Specify that a notice of infraction may be issued personally to the contractor named in the notice by the compliance inspector issuing it or the notice may be sent to the contractor by certified mail.

AMENDATORY SECTION:

WAC 296-200A-340 How does a contractor appeal a notice of infraction?

This section was amended in order to:

- Remove the requirement that two copies of the appeal notice need to be filed.
- Make clarification changes.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-360 Who ((will))may represent the contractor and the department at the appeal hearing?

This section was amended in order to:

- Change the title for purposes of clarity.
- Make clarification changes to identify who is allowed to represent the contractor and the department at the appeal hearing.

AMENDATORY SECTION:

WAC 296-200A-370 How is the appeal hearing conducted?

This section was amended in order to clarify that all appeals of the administrative law judge's decision shall be to the superior court according to chapter 34.05 RCW.

AMENDATORY SECTION:

WAC 296-200A-380 What evidence is admissible in an appeal hearing?

This section was amended in order to clarify that the admission of evidence is subject to chapter 34.05 RCW, Administrative Procedure Act.

AMENDATORY SECTION:

WAC 296-200A-390 What does the department do with the appeal notices that they receive?

This section was amended in order to specify the process that shall be used for appeal notices.

AMENDATORY SECTION:

WAC 296-200A-400 What monetary penalties will be assessed for an infraction issued for violations of [RCW 18.27.100](#), [18.27.110](#), [18.27.114](#) or [18.27.200](#)?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Add penalties for violations of RCW 18.27.110.
- Clarify the provisions associated with second or additional violations.
- Make clarification changes.
- Increase the penalties associated with violations of Chapter 18.27 RCW and this chapter.
- Specify the process and requirements associated with situations when the director may waive a penalty collection from a contractor in exchange for a payment of restitution to a damaged consumer.
- Make changes based on the 2001 legislative changes.

AMENDATORY SECTION:

WAC 296-200A-405 When must a contractor pay assessed monetary penalties?

This section was amended in order to make clarification changes and to remove the requirement that infractions must be paid by only check or money order.

REPEALED SECTION:

WAC 296-200A-500 Is the department required to monitor unregistered contractors who become registered?

This section was repealed as the requirements associated with this section have expired.

REPEALED SECTION:

WAC 296-200A-510 Is the department required to report contractor compliance activities to the legislature?

This section was repealed as the requirements associated with this section are located in chapter 18.27 RCW.

AMENDATORY SECTION:

WAC 296-200A-900 What fees does the department charge contractors for issuance, renewal, reregistration, and reinstatement of certificates of registration?

This section was amended in order to:

- Change the title to clearly reflect what this section pertains to.
- Increase fees by 3.20% (rounded down to the nearest tenth of a dollar) based on the fiscal growth factor (maximum allowable rate established by the Office of Financial Management).
- Add a new fee for refund processing services provided by the department.